



U.S. Department of Justice

*United States Attorney
Eastern District of California*

501 I Street, Suite 10-100
Sacramento, California 95814

916/554-2700
Fax 916/554-2900

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Contact: Patty Pontello, 916-554-2706
www.usdoj.gov/usao/cae/home

**TWO DEFENDANTS RECEIVE JAIL TIME
FOR \$187,000 INSURANCE FRAUD SCHEME**

SACRAMENTO—United States Attorney McGregor W. Scott announced today that LISA REYNOLDS, 29, of Sacramento and AARON WARD, 26, of Folsom, were sentenced to 8 months and 10 months of jail time/home detention for their participation in a scheme to submit fraudulent insurance claims to Farmers Insurance Group.

U.S. District Court Judge Lawrence K. Karlton sentenced LISA REYNOLDS to two months imprisonment and six months of home detention. He sentenced AARON WARD to five months of imprisonment and five months of home detention. Both were placed on supervised release for a period of 3 years and ordered to pay restitution in the amount of \$117,092.44.

The case is the product of an extensive investigation conducted by FBI.

According to Assistant United States Attorney S. Robert Tice-Raskin, who prosecuted the case, starting in the Summer or early Fall of 2002, defendants LISA REYNOLDS, AARON WARD and IAN REYNOLDS (former husband to LISA REYNOLDS) agreed upon a scheme to defraud Farmers Insurance Group by creating fictitious insurance claims and utilizing the claims proceeds for their own benefit. LISA REYNOLDS selected previously paid insurance claims and supplied that claim information to defendant AARON WARD. Defendant AARON WARD accessed the claims in Farmers' computerized claims processing system, "re-processed" the claims with different payee names and addresses, and then caused checks to be issued to the various payees and mailed to various post office boxes in the Sacramento area controlled by the defendants. Defendant IAN REYNOLDS retrieved various checks, endorsed the checks with the appropriate payee name, deposited these checks into financial accounts under his control and subsequently disbursed the proceeds of the fraud between himself and co-defendants LISA REYNOLDS and AARON WARD. Defendants ultimately caused Farmers to issue over 40 checks with an aggregate value of \$187,928. Defendants also negotiated over 20 checks with an aggregate value of \$121,881.

Defendant IAN REYNOLDS, the remaining co-defendant, is scheduled for sentencing before Judge Karlton on February 23, 2005.

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